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GEOGRAPHY

Spain is located in Southwestern Europe, bordering the Bay of Biscay, Mediterranean Sea, and the North Atlantic Ocean, southwest of France. The total area of Spain is 504,750 km². The land area is 499,400 km². Spain's territory includes the Balearic Islands, Canary Islands, and five places of sovereignty (plazas de soberanía) on and off the coast of Morocco—Ceuta, Mellila, Islas Chafarinas, Penon de Alhucemas, and Penon de Velez de la Gomera. Spain's land boundaries total 1,903.2 km, shared with Andorra (65 km), France (623 km), Gibraltar (1.2 km), and Portugal (1,214 km).

Spain's climate is temperate: clear, hot summers in the interior, more moderate and cloudy along the coast; cloudy, cold winters in the interior, partly cloudy and cool along the coast. The terrain is large, flat to dissected plateau surrounded by rugged hills; and mountainous with the Pyrenees in the north. Natural resources include coal, lignite, iron ore, uranium, mercury, pyrites, fluorspar, gypsum, zinc, lead, tungsten, copper, kaolin, potash, and hydropower.



DEMOGRAPHICS

The population reached 39.4 million in 1995. Seventeen percent of the population was under 14 years old in 1995, 68 percent between 15 and 64 years, 15 percent was 65 years and over. The population growth rate was 0.27 percent. The birth rate was 1.12 births per 100 population in 1995. The death rate was .886 deaths per 100 population. The net migration rate was 0.31 migrants per

1,000 population. The nationality is Spaniards. Ethnic divisions in Spain include Mediterranean and Nordic types. Roman Catholicism at 99 percent is the predominant religion. The major language spoken is Castilian Spanish; other languages include Catalan at 17 percent, Galician at 7 percent, and Basque at 2 percent.

ECONOMIC OVERVIEW

Spain, with a per capita output of approximately two-thirds that of the four leading economies of Western Europe, has shared with these countries the recession of the early 1990s and the upturn of their economic fortunes in 1994. But while unemployment in these countries has hovered just above 10 percent, Spain has been forced to cope with a 25-percent unemployment rate.

Continued political turmoil has complicated the establishment of stable government policies toward budgetary restraint, interest rates, labour law reform, and Spain's role in the evolving economic integration of Western Europe. Because the recession has been so deep, the growth in industrial output, tourism, and other sectors in 1994, while welcome, fell far short of the growth required to bring unemployment down to, say, 10 percent. The recovery in the economies of major trade partners, the comparatively low inflation rate, lower interest rates, and prospects in the tourist sector suggest that Spain could make substantial progress in 1995.

The European Union's Maastricht Treaty calls for public sector deficits to be held below 3 percent of GDP. This is a major challenge for Spain which, since 1981, has brought its public sector deficit below that level only once during the boom year of 1989. During the 1993 recession, Spain's fiscal deficit exploded to 7.3 percent of GDP. The government's policy was to bring the

fiscal deficit down to 5.9 percent of GDP in 1995, then to 4.4 percent in 1996 and to 3 percent in 1997. This probably cannot be achieved simply through stronger economic growth, but requires politically painful spending cuts.

Maastricht also requires that the amount of government debt outstanding be less than 60 percent of GDP. After growing steadily over several decades, Spain's outstanding debt went over that level in 1994, reaching 62.7 percent. The government contends that if the annual fiscal deficit is reduced, as planned, to 3.0 percent of GDP in 1997, debt as a share of GDP will stabilize, and will decline if the economy grows strongly.

The presence of Spain within the European Monetary Union (EMU) is a priority for the Spanish government. Spain is in a good position to do so with respect to Maastricht criteria. The accumulated debt of the Spanish government according to IMF forecasts will amount to 65 percent of GDP in 1997. The annual inflation rate is 3.7 percent, the Spanish currency (peseta) remains strong and at 2.3 percent of GDP, Spain maintained a steady rate of economic growth in 1995. The only weak point is the high unemployment rate of approximately 23 percent, although some experts believe that the actual rate is about 15 percent.

POLITICAL OVERVIEW

Based on its constitution of December 1978, Spain is a parliamentary democracy. The electoral term for national government is a maximum 4 years, but elections can be called before that term expires.

In an early election held in March 1996, Spaniards showed that they were ready for a change in government and elected a centre-right party.

Since the restoration of democracy in 1976, Spain has become an increasingly important partner for Canada. While bilateral relations between Spain and Canada have traditionally been warm, the fisheries dispute of 1995 remains a contentious issue. However, both countries are turning their attention to other common interests such as trade

and cultural exchanges and are renewing traditional links.

Because of its prosperity, Spain has a significant role to play both bilaterally and within international organizations, where Spain is making a greater contribution as a result of Spanish membership in the EU and NATO.

Having undertaken a process of political and administrative decentralization, Spain has shown great interest in Canadian federalism. The governments of the most active autonomous regions, namely Catalonia and the Basque country, regularly send delegations of regional ministers and senior officials to Canada to meet their provincial counterparts and the latter often make visits to Spain.

TRADE POLICY

Spain is the world's 10th largest importer and 10th largest industrial power, with a GDP of US\$559 billion in 1995. Spain is Canada's 26th export market, despite the 1995 fisheries dispute. There was a 65-percent increase in Canadian exports in 1995 from \$377 million in 1994 to \$621 million in 1995. Imports from Spain totalled \$705 million in 1995, an 11-percent increase compared to \$636 million for 1994.

Spain is composed of a series of regional markets joined to the two major hubs of Madrid and Barcelona. Canadian commercial activities centre on the export of raw materials, such as mining commodities, pulp and paper, mineral fuels, wood, and fishery products. To improve Canada's share of the Spanish market, Canadian companies must be active in carving out a speciality niche, bearing in mind the competition from other EU countries.

HOUSING SECTOR

Overview

In 1995, Spain had approximately 12.38 million households within its population of 39.19 million inhabitants. In the previous year, a total of 16.42 billion ECU (1 ECU = 158.92 P) was allocated to new housing construction (13.05 billion ECU), renovation and housing rehabilitation (3.37 billion ECU).

Relevant Local Systems

Spain's housing demand reflects the distinctive Spanish tastes. Lifestyles are centred around the immediate community which explains the popularity of apartment buildings.

Local construction companies are among the largest in Europe and hold a monopolistic 90-percent share of the overall Spanish construction market. Most imported housing construction products originate from other EU countries, primarily Germany and France, accounting for 70 percent of Spain's import market.

Wood-frame Housing Market Characteristics

The key barriers in Spain to wood-frame housing development are mainly local attitudes. However, some experts see a progression for this type in the near future, once local technicians become familiar with its techniques. To overcome this lack of local expertise, Canadian technicians are sent to Spain by Canadian exporters to carry out the framing work.

Wood-frame housing has encountered more success in Madrid and the Canary Islands and a few log homes may be found in the latter as well as in the Pyrenees.

Housing Components (windows, doors and flooring)

Wood components are usually sold as integrated parts for wood-frame houses that are sold as turn-key projects, although a few importers have started to supply components separately.

An emerging new trend observed by some architects requires units to be sold jointly with their frames.

Spain is almost self-sufficient in door production. About 4 to 5 million doors are manufactured each year. PVC and aluminum are increasingly used in the manufacture of windows. The country's local door and window manufacturers supply quality products.

Key Housing Market Institutions

The following are key organizations active in the Spanish housing market that might be helpful to Canadian exporters:

- AITIM (Technical Research Association for the Wood and Cork Industries)—Madrid (tel.: 341-542-5864)
- C.I.C. Centro Informativo de la Construcción, Barcelona (tel.: 343-487-0455)
- ITEC (Catalan Construction Technology Institute), Barcelona (tel.: 343-309-3404)
- Instituto de Ciencias de la Construcción "Eduardo Torroja" (Certification Laboratory), Madrid (tel.: 341-302-0440)
- SEOPAN (National construction Companies Association), Madrid (tel.: 341-563-0504)

State of the Local Housing Market

There are about 40 Spanish companies involved in the local wood-frame housing industry. Most are first and foremost import agents for wood and wood panels. Few are actual manufacturers. They are clustered within the Catalonia region at the north-end of the country and most provide dual housing systems (metal and wood). Spanish systems are considerably different from Canadian and Scandinavian systems.

Importers do look to Canada as a source of supply. This is partly a result of the promotional activity carried out by various organizations such as the AITIM (Technical Research Association for the Wood and Cork Industries) responsible for the preparation and distribution of Canadian wood-frame housing promotional documentation.

The following is a list of a number of local companies involved in wood-frame housing:

- Cananhouse, Barcelona (tel.: 93-232-6317)
- Casas de Cedro S.L., Santa Crux de Tenerife (tel.: 922-63-70-46)
- Construcciones Domingo Ramos S.L., Madrid (tel.: 91-544-8408)
- Hogares Nuevos, Zaratoga (tel.: 976-43-54-00)
- Intelligent Dream Homes, Madrid (tel.: 91-718-1779)
- Las Casas de Québec, Madrid (tel.: 91-350-7217)
- Lombard Homes, Madrid (tel.: 91-692-3922)
- Maisons naturelles, Casas de madera, S.L. (tel.: 91-815-6486)
- Mi Pueblo, Islas Canarias (tel.: 922-37-30-45)
- Modulor, Valladolid (tel.: 983-20-88-04)
- New Casa, Madrid (tel.: 91-559-1571)
- Nordicas International Trade Company S.L. Villanueva (Huesca) (tel.: 908-53-60-29)
- North Building System Corporation, Cerdanyola del Valles (tel.: 93-580-9142)

HOUSING MARKET ACTIVITY, NEED AND DEMAND

Local Housing Activities

With a growth rate of about 3 percent, new residential housing was, in 1994, the most dynamic sector within the housing construction industry. While a further 4-percent increase was forecast for 1995, a declining number of building permits was expected to lead to a drop in housing construction output as well, which, after a 2.2-percent increase in 1996, was expected to stabilize at a 1-percent annual increase through 1997-2000. The government's efforts to promote and subsidize housing have played a major role in balancing and redefining the Spanish housing market.

The low prices observed in recent years throughout the housing industry have made home-ownership more affordable.

When the 1992-95 National Housing Plan elapsed, the replacement plan had yet to be approved. That situation was expected to result in the suspension of investment decisions on the part of developers and house builders. Another negative factor which had an impact on new housing was the precariousness of the labour market which prompted many households to turn to saving over investing. Housing completions and forecasts, 1994-2000, are shown in Table 1.

Housing Need

Repair and Maintenance

The repair and maintenance sector is expected to increase substantially over the next decade. In fact,

this sector accounts for 20 percent of the country's overall housing construction activity as opposed to 40 percent in other European countries. The 1992-95 National Housing Plan had included provisions in connection with housing renovation and rehabilitation and these provisions have been put forward in the new Plan to be implemented through 1996-2000. Forecasts for the market in 1995 reached 5 percent.

By late 1995, the repair and maintenance sector was the only market showing progress in the housing construction sector. Residential renovation, after a 1.5 percent low in 1993, was back up to 5 percent in 1994 and was expected to stabilize in 1995, subsequently reaching 5 percent in 1996, and 4 percent over the 1997-2000 period. Renovated homes account for an estimated 10-percent share of the new residential housing market.

Factors Affecting the Demand for Housing

The Spanish population has remained stable at 39 million since 1991. Forecasts show a similar trend up until the turn of the century. In just a few years, Spain has gone from being the country with the highest growth rate recorded in Western Europe down to zero-progression. This trend was expected to lead to an annual net growth in the area of 20,000 people between 1995 and the year 2000. Moreover, forecasts beyond this period show an actual reduction of the population. As a result, it is unlikely that the Spanish population will reach the 40 million mark.

Table 1:
Housing Completions and Forecasts (in thousands)

Housing	1994	1995	1996	1997	1998	1999	2000
1 + 2 Family dwellings	70.0	71.5	73.0	72.0	70.5	68.0	65.0
Flats dwellings	150.0	168.5	187.0	193.0	184.0	172.0	165.0
Total dwellings	220.0	240.0	260.0	265.0	254.5	240.0	230.0

Source: Euroconstruct, European Construction to 2000, October 1995

With a GDP growth of 2 percent in 1994 and expectations for 2.7 to 3 percent for 1995, the Spanish economy slowly began recovering from the recession. The general improvement observed in 1994 was sustained by the good performance of exports due to favourable currency fluctuations. The high level of unemployment and continued strong inflation both remain major factors of influence on the state of the Spanish economy.

The Spanish government is seeking new sources of foreign investment that will help modernize the country's industry sector. A few investment and foreign exchange incentives have been implemented in an attempt to attract investors. Spain allows foreign investment equity up to 100 percent except in a small number of strategic sectors.

EXPORT OPPORTUNITIES AND STRATEGIES

Canadian Trade Patterns

The most recent data available is for 1994. In 1994, Canada exported only US\$14.7 million of housing sector-related products to Spain, a 22-percent decrease over 1992 which made Spain Canada's 8th customer for housing-related products. This decrease is proportional to the declining volume of Spanish imports for these products at minus 24 percent over the same period, from US\$1.8 billion to US\$1.37 billion.

In terms of market share, Canada accounted for only 1 percent of Spain's total imports for the selected products in 1994, the same as in 1992.

For the 1992-94 period, 84 percent of Canadian exports to Spain were commodities, as illustrated in Table 2.

Table 2:
Canadian Exports to Spain, 1992-94

Sawn non-coniferous wood	45 %	US\$8.7 million
Sawn coniferous wood	75 %	US\$2 million
Non-coniferous veneer	41 %	US\$1.6 million

The only significant volumes of manufactured products exported to Spain were prefabricated buildings (US\$1 million in 1994) which had nonetheless decreased by 24 percent as a result of the decline in the country's prefabricated housing imports at 34 percent over the same period.

Canada does not hold a strong export position to Spain. Sawn non-coniferous wood and non-coniferous veneer, which are the two major Canadian exports to Spain, account for 4 percent of the Spanish market for these products regardless of the 2 to 3 percent increase recorded for the 1992-94 period.

A look to Spain's total imports shows little progression in 1992-94. Table 3 shows Spain's total imports for the period 1992-94.

The Canadian Embassy in Madrid has been very active in the promotion of wood-frame housing companies and techniques through seminars,

articles published in professional and technical periodicals, as well as trade missions both to and from Canada. The promotion efforts have been thorough and continuous for the past 5 years. Positive results are now apparent after 2 years.

Table 3:
Spain: Total Imports, 1992-94

Coniferous veneer	46 %	US\$13 million
Granite and sandstone	21 %	US\$57 million
Thermostats	22 %	US\$46 million

Major Canadian wood-frame housing companies currently active in the Spanish market include:

- Lombard Homes, a Canadian company which has been active for 3 years in the Spanish market. Lombard imports all its components and materials from Canada (structures, panels, windows, etc.) and generally uses local manpower but turns to Canadian contractors for major developments, Madrid (tel.: 341-692-3922)
- Canadiana Homes, Ontario (tel.: 905-659-1622)
- Coforex International Ltée, Québec (tel.: 514-465-2337)
- Fermco Ltée, Québec (tel.: 418-322-5747)
- Valhalla Homes International, Ontario (tel.: 905-427-9986)

The Spanish trade context is best characterized by its distinctive business practices, tariffs, imports taxation and certification requirements.

Canadian Strengths and Weaknesses

Lombard Homes associates its success in the Spanish market with 3 major factors:

- the Spanish people want something different from traditional housing;
- the local industry has a reputation for poor quality products; and

- Canadians offer good quality versus price ratios.

However, a few challenges do remain for Canadian wood-frame housing exporters:

- The lack of expertise of Spanish labourers with respect to wood-frame structure assembly and related site management. Professional trades people such as electricians and plumbers are not accustomed to wood-frame structures and therefore need to be trained.
- The lack of after-sales service provided by Canadian manufacturers to local purchasers and builders makes it very difficult for them to order the appropriate supply of components for after-construction sales. Canadians' reputation in this regard is not good and the Spanish perception is that very few Canadian exporters are willing to invest sufficiently in Spain to ensure a long-term presence.

Opportunities

The Canadian Embassy in Madrid points to some major potential in stick-built (not prefabricated) wood-frame housing and associated products such as windows, doors, flooring, siding and shingles, although this can only materialize through appropriate training and transfer of expertise to builders and contractors in connection with Canadian wood-frame assembly techniques.

A focus on upscale housing products is also favoured in view of the fact that detached housing can only be afforded by the country's wealthier group.

Strategic Approach

The Spanish public is still unfamiliar with wood-frame construction despite active promotion from the AITIM and the former Canadian Commercial Office in Barcelona. Such

promotional efforts in support of Canadian housing exports should be considered as a long-term investment.

The Spanish market should be viewed as various regional segments centred around the country's major economic poles: Madrid and Barcelona. The key to foreign access relies on a good agent or distributor in both regions. Well-established housing products importers and distributors either possess a national or regional distribution network capable of introducing, promoting, and selling products to the end-user. Furthermore, importers and distributors like to have exclusive distribution rights for imported products.

Prefabricated housing manufacturers and builders should establish an efficient subsidiary or joint venture with local companies and secure long-term commitments through common corporate missions, considering many such local partnerships with foreign companies do not last beyond the transfer of know-how stage.

Canadian manufacturers and builders contemplating the Spanish market should consider promoting their products through trade fairs and trade magazines such as the CORREO DE LA CONSTRUCCION, in Barcelona (tel.: 343-419-2881) or the REVISTA DEL VIDRIO (Glass and Window Magazine), in Barcelona (tel.: 343-412-0764).

The Barcelona Trade Fair organizes REHABITEC, a trade fair focussed to the housing repair and maintenance sector (tel.: 343-423-3101 in Barcelona).

CONSTRUMAT (International Building Exhibition), the country's most important exhibition is also biennial. The next event is scheduled for April 1997. Information can be obtained through Fiera de Barcelona, Avenida Reina Maria Cristina, in Barcelona (tel.: 3-233-2000).

BUSINESS ENVIRONMENT

Overview

Despite differences among various regions, Spain has a typical Mediterranean climate. The weather in the northern coastal regions (looking onto the Atlantic and the Bay of Biscay) is temperate and generally rainy throughout the year, and temperatures are neither very low in winter nor very high in summer. The climate on the Mediterranean coastline, including the Balearic Islands, is mild in winter and hot and dry in the summer. The most extreme differences take place in the interior, where the climate is dry, with cold winters and hot summers. Finally, the Canary Islands have a climate of their own, with temperatures constantly around 20 degrees Celsius and little difference between summer and winter or day or night.

Spain is a developed and stable democracy with a modern economy. Tourist facilities are widely available. Entry requirements are a passport, but a visa is not required for tourist or commercial stays of up to 3 months; visitors may subsequently apply for an extension of stay at a Spanish immigration office.

Medical facilities are excellent and good medical care is available. Spain has a very low rate of violent crime. Nevertheless, minor crimes such as pick pocketing, robbery, and theft from cars are a problem and are often directed against unwary tourists. Thieves often attempt to distract their victims by diverting attention with an accomplice. Theft of small items like radios, luggage, cameras, briefcases, and even cigarettes from parked cars is a common problem.

Tipping in Spain is largely optional since a service charge is normally included in restaurant bills. Small, additional tips are often left for particularly good service. Taxi drivers may be tipped by rounding up the payment to include up to 10 percent of the fare. At no time in Spain are tips obligatory.

Business Customs

Less than 30 percent of local managers speak English fluently. Ideally, Canadian exporters need to communicate with the market in Spanish. Product literature, correspondence and negotiations in the Spanish language provide a distinct advantage over competitors who use only English. There are certain regions in Spain that have a second official language: Catalan in Catalonia, Valencia, and the Balearic Islands; Galician/Portuguese in Galicia; Basque in the Basque region.

There is no substitute for face-to-face meetings with Spanish business representatives to break into this market. Spaniards expect a personal relationship with suppliers. Initial communication by phone or fax is far less effective than personal meetings. Mail campaigns generally yield meagre results.

Spaniards are more formal in personal relations than Canadians but much less rigid than they were 10 years ago. The biggest mistake a Canadian business person can make is to assume that doing business in Spain is comparable to business practices in Mexico and Latin America; Italy or France would be better comparisons. A handshake is customary upon initiating and closing a business meeting, accompanied by an appropriate greeting. Professional attire is expected. Business dress is suit and tie and business cards are required. Spaniards tend to be "conservative" in their buying habits. Known brands do well. Large government and private sector buyers appear more comfortable dealing with other large, established organizations or with firms that are recognized as leaders within their sectors.

Table 4 shows official holidays. The Government of Spain publishes a list every year.

The work days before and after the Spanish holidays and vacation periods are not "prime time" for business meetings; this could include the month of August and the several vacation periods between Christmas and Easter.

**Table 4:
Holidays**

January 6	Epiphany
March 19	St. Joseph
March/April	Good Friday
May 1	Labour Day
August 15	Assumption Day
October 12	National Day
November 1	All Saints' Day
December 6	Constitution Day
December 8	Immaculate Conception
December 25	Christmas Day

Business hours in Spain are generally from 9:00 a.m. to 6:00 p.m., Monday to Friday. Banking hours are from 8:30 a.m. to 2:30 p.m. and are open Saturday mornings. Stores are generally open from 10:00 a.m. to 8:00 p.m., Monday to Saturday. To ensure availability, advance appointments are recommended.

Business Infrastructure

Telecommunications to and from Madrid compare favourably with those in any large Canadian city. A direct-dial telephone system links Spain to Canada and most of the world. Calls to Canada may be charged to international telephone cards such as Canada Direct and the Stentor telephone companies. Spain accepts coins and pre-paid Telefonica credit cards. Some public phones also accept commercial credit cards.

Airports in both Madrid and Barcelona have good bus services to downtown. Taxis are easily available in major cities all over Spain.

There is a good highway network linking major cities in Spain. Secondary roads are poor in Galicia and Asturias (Northwest of Spain).

The Spanish railway system is slow and old with some exceptions. There is a high-speed train line linking Madrid and Sevilla. There is a very good railroad network linking Madrid and Valencia. Madrid and Barcelona enjoy excellent railway systems in their metropolitan areas.

Buses and the Metro (subway) in Madrid and Barcelona may be crowded during rush-hours but they provide fast and efficient service.

Electric current in Spain is 220 volts AC, 50 cycles. A transformer is needed for most Canadian electrical equipment and appliances.

Spanish hotels are comparable to those found in the rest of the EU. Spain has a good network of hotels all over the country. A hotel is always easy to find when travelling in Spain.

Car rental services can be found in major cities, airports and hotels. Most of the large North American car rental companies are established in Spain.

Distribution and Sales Channels

The Spanish market is a series of regional markets joined to two major hubs—Madrid and Barcelona. The vast majority of agents, distributors, foreign subsidiaries, and government-controlled entities that make up the economic power block of the country operate in these two hubs. Dealers, branch offices, or government offices located outside of these two hubs will almost invariably obtain their supplies from their Madrid and Barcelona contacts rather than engage in direct importation. The key to a foreign firm's sales success in Spain is to appoint a competent agent or distributor or to establish an effective subsidiary in either Madrid or Barcelona.

The major competitors of North American exporters and investors in Spain are Western European firms, but Japanese companies are swiftly becoming formidable competitors in Spain. Cost, financing terms, and after-sales servicing play important roles in marketability of a firm in Spain. Since Spain acceded to the EU, member states' exports to Spain have benefitted from lower tariffs than Canadian exports. The duty rate for almost all EU goods entering Spain is zero since January 1, 1993, while Canadian goods are subject to the EU's Common External Tariff.

Canadian products can retain competitiveness, in comparison to other exporters to the EU, because of lower production costs achieved through economies of scale. However, European exporters provide generous financing and engage in extensive cooperative advertising. Although Canadian products are well respected for their high level of technology and overall quality, in order to be competitive Canadian firms must be flexible in financing, adaptation of product design

to local market needs, assistance with marketing, and after-sales service.

Regional characteristics influence buying patterns. A competent agent or distributor takes this into account when marketing his products. The Basque Country, part of Spain's north coast, and Catalonia, which includes Barcelona, have long traditions as autonomous regions with their own official languages and customs. There are 15 other autonomous communities (similar to Canadian provinces) with varying but lesser degrees of autonomy and cultural identity.

Madrid is Spain's centre for banking, administration, and transportation, and it serves as the headquarters of many large international companies. Barcelona is the capital of Catalonia which boasts a strong industrial tradition. The primary industries have historically been textiles, paints, chemicals, printing, plastics, fertilizers, electrical engineering, and machinery manufacture. Barcelona and Bilbao, the Basque Country's industrial centre, are Spain's leading ports.

Finding a Partner

Most North American exporters sell their products in Spain through distributors. Agents and distributors are generally exclusive, covering the entire country. Although a majority of Spanish distributors have their head offices in Madrid or Barcelona, many are located in Bilbao, Valencia, and other Spanish industrial cities where a particular industry may be concentrated.

Distributors normally have sub-offices, enabling them to cover other parts of the country. In general, a distributorship is governed by the conditions agreed upon between the parties. Spain applies the "freedom of contract" theory, by which the contracting parties may establish any stipulation, condition, or undertaking, provided that it does not violate Spanish law, morals, or public policy.

Participation in trade events often leads to contracting with an agent or distributor.

Joint Ventures and Licensing

Joint ventures in Spain can operate under different forms. A group of companies can form temporary associations (*uniones temporales de empresas*—UTE), designed to exist for only a limited time to

undertake specific projects. This type of association does not have a separate legal personality, rather companies maintain their legal status while allowing common operations under a set of regulations. Foreign companies can enter this type of arrangement.

An Economic Interest Group (*agrupacion de interes economico*—AIE) is a vehicle for a joint venture between Spanish participants. It is similar in concept to a partnership, its participants having joint and separate liability for its debts. To form an AIE, the participants must execute a public deed, incorporating bylaws, and record it at the commercial register. The internal operation of an AIE is similar to that of a corporation, and an AIE can be transformed at any time into any other type of commercial entity.

There is also a European version of the AIE, the European Economic Interest Group (*agrupacion europea de interes economico*—AEIE). This is a cross-border version of the Spanish AIE, introduced by EU Regulation 2137 of 1985. A local AEIE is a separate legal entity and must be incorporated in Spain. It must be recorded in the commercial register, and in almost all respects it is similar in constitution and operation to an AIE.

These three models of joint venture are tax transparent; that is, their income is apportioned among their members. In all of these cases, losses as well as profits can be attributed to the members.

Licensing agreements are similar to those in Canada and the rest of Europe, and are contemplated under local business law. Licensing agreements are reviewed by the General Directorate of Foreign Transactions (DGTE) in the Ministry of Economy.

Payments for licensing fees, technical assistance, consultants' fees, trademarks, patents, technology transfers, and other non-patented matters, are freely transferable abroad. In most cases such payments are subject to Spanish taxation and normally taxes will be withheld at the time of payment.

Establishing an Office

The first decision a foreign investor in Spain must make is whether to incorporate a subsidiary (i.e., a separate corporation) or a branch. Both have full

legal status for any kind of operation, and their profits are taxable in Spain.

If the investor decides to incorporate a subsidiary, the next decision is whether to incorporate a public limited-liability company (sociedad anonima, or SA) or a private-limited company (sociedad de responsabilidad limitada or SL or SRL). The SA is structured for larger operations; the SL for smaller.

In both of these structures, the shareholders are not liable for the company's debts. The main differences are in their capital (10 million pesetas versus half a million), the number of founding members (3 versus 2), flexibility permitted at general meetings, transfer of shares and management of an SL.

Companies interested in setting up an operation in Spain must consider legal advice. Major consulting groups as well as law firms are available to carry out the necessary steps to incorporate in Spain.

Selling Factors and Techniques

Client satisfaction is not a big issue in Spain. Foreign distribution companies that have entered this market have introduced this concept. Only recently are consumer groups beginning to appear. A new product liability law was passed in July 1994 which will effectively protect consumers.

Relationships are still very important in selling foreign products successfully in Spain. This factor is sometimes more important than price or quality, especially in large account sales. The decision-making process within a Spanish company is different from that in Canada. It is usually centralized in the leading executive of the company. This person will take action after it is reviewed by different departments, making the sales process longer. An initial "yes" usually means that they will study the situation, and not necessarily that they will buy the product.

There are approximately 15 million television sets in use in Spain. The average daily television audience is 23 million. The relative success of the private networks since 1990 has weakened the domain of TVE (TVE: 30 percent, Autonomous: 15 percent, Private: 55 percent). Until 1990,

Television Espanola (TVE) was the only national television network. It operates 2 channels, TVE1 which concentrates more on news and popular entertainment programs and TVE2 which more closely approximates the offerings of the CBC. It also carries more sports coverage than TVE1.

Spain has a well-developed chain of radio stations. There are 35 million estimated receivers in use and the estimated average daily audience is 16 million. The majority of Spaniards obtain their news from radio, not television, placing radio as the most important medium for the dissemination of information concerning foreign issues.

In Madrid, 5 major daily newspapers and 3 economic or financial dailies receive international and national coverage from the major world wire services and 3 Spanish news agencies, one of which is the government-owned EFE service.

Full colour advertisements are offered in all the leading dailies and magazines, and rates are considered low by North American standards. Newspapers publish regular supplements on topics such as high technology, communications, education, and science, and these are often the media of choice for advertisements by leading multinationals in these fields. The technical press also has reasonable rates, but circulation is considerably smaller than in comparable magazines in Canada.

Billboards are commonplace in urban areas. They are prohibited along main roads. Rates are reasonable.

Ads may be placed directly in the media or through an ad agency. Commissions average 15 percent, and many agencies have creative staff to develop ads likely to appeal to the Spanish population, including regional tastes. In general, multinational ads are successful, once adapted to Spanish tastes. There are no standard rates for ad placement or creative development, and competition is strong for multinational and foreign clientele. Ad agencies are located mainly in Madrid and Barcelona.

Pricing Products

Pricing a product in Spain is similar to that in Canada, although mark-ups tend to be slightly higher. Products and services in Spain are subject

to value added tax. At present it stands at 16 percent.

Payments are based on 90-day terms. Large corporations (including large retailers) negotiate or impose larger payment terms that can go up to 6 months. The government defers all payments. Depending on which department, payments can be deferred by as much as one year. So, financial charges must also be factored into product pricing.

Sales Service and Customer Support

Demand among Spanish consumers for sales and customer service is growing. All technical products as well as most consumer products have sales service and customer support. Regulations require that sales service is available for government procurement. Customer support is not as developed as in Canada.

Selling to the Government

Even though Spain automatically acceded to the GATT Government Procurement Code when it joined the EU in 1986, it did not implement the code until late 1992. EU directives on the Procurement Code, particularly EU Directive 88295 of March 1988, provide the framework for Spanish legislation on government procurement. These directives outline procedures for awarding contracts for construction and supply of public works, as well as procurement for entities operating in the fields of telecommunications, water, transport, and services. A proposed directive will open up procurement of a number of services, including architecture.

Canadian firms seeking contracts from Spanish government-controlled entities must have an established agent, distributor, or subsidiary in Spain before bidding on contracts. Under Spanish law, foreign companies seeking contracts with the Spanish government enjoy the same opportunities as do Spanish firms. The foreign enterprise must, however, be a legal entity (for example, a corporation or partnership) in accordance with its own national laws.

The foreign firm must also be prepared to accept jurisdiction of the Spanish courts in legal issues that may arise in implementing the contract. Supply and service contracts are approved by the ministry

having jurisdiction. Approval of the Ministry of Economy and Finance is required for contracts resulting in payments in foreign currencies.

Protecting Your Intellectual Property

Spain is a signatory to the Paris Convention for the Protection of Industrial Property. The Spanish Patents Act of March 20, 1986 brought Spain into conformity with the European Patent Convention and the anticipated EU Patent Convention as a requirement for its entry into the EU. Both the Trademark Law of November 1988 (Law 32) and the Intellectual Property Law 1750/87 address protection for brand names and trademarks. Spain is also a party to the Madrid Agreement on Trademarks. These laws are in accordance with EU standards. The Intellectual Property Law of November 1987 offers copyright protection.

A non-renewable 20-year period for working patents is available, and the patent must be worked within 3 years of patenting.

Need for Local Legal Assistance

Foreign companies and individuals are advised to hire legal advice for any operation they intend to do in Spain, either to set up a subsidiary or a branch, to carry out business transactions or to acquire residency in Spain. Regulations are complex and legal help is useful in many every day commercial activities.

Regulatory Issues

Spanish tariffs for EU countries have been zero since January 1, 1993, while those third-country goods, including those from the United States and Japan, receive the EU's Common External Tariff. Since 1988, Spain has used the Harmonized System of tariff nomenclature for applying duties. Canadian goods are taxed according to the standard EU duty rate.

Spain has adhered to the GATT code since 1963. In December, 1994, Spain ratified adherence to the Marrakesh accord, which concluded the Uruguay Round of international trade negotiations and established the World Trade Organization.

Spanish Customs values shipments at c.i.f. prices. For Canadian products the tariff rate averages 5 percent. A shipment has to be cleared through customs by a registered customs agent. Usually,

total costs to clear customs fall in the range of 20 to 30 percent of the shipments' c.i.f. value. This includes tariffs, value added tax (16 percent), custom agent and handling fees.

Spain was obligated under its EU accession agreement to transform its structure of formal and informal import restrictions for industrial products into a formal system of import licenses and quotas. While Spain does not enforce any quotas on Canadian-origin manufactured products, it still requires import documents.

In March 1992, the EU Council approved Law 880/92, establishing a community-wide system for granting eco-labels (green label) to products that satisfy environmentally conscious standards. The EU's objectives for setting up a system for issuing green labels are twofold. To inform consumers of products that are environmentally safer than others in all aspects of a product's life-cycle, and to improve the design, production, marketing and increase the use of products that have low or non-adverse effects on the environment, and that use natural resources wisely.

Spain has developed specific certification requirements for certain products. This "homologation" process involves extensive product testing and control conducted by approved laboratories. Local requirements and testing standards are gradually replaced by Spain's national legislation in favour of EU standards. Certain homologation and other special requirements do, however, remain for some products but, as a rule, products which meet the standards and certification requirements of other EU countries can easily be exported and sold in Spain without further testing. Applications for homologation are processed by the country's Ministry of Industry and Energy and by the Ministry of Transport and Telecommunications. These national standards will be phased out as EU norms take effect.

The Spanish Standards Certification Association (AENOR—Asociación Española de Normalización y Certificación) is responsible for developing voluntary standards and certification programs. The Spanish government publishes lists of approved laboratories for testing and certification on a yearly basis. Canadian companies are advised to refer to the AENOR,

Madrid (tel.: 341-310-4851) for any information on existing regulations in connection with sizing, packaging and labelling.

EDC Financial Risk Assessment

The Export Development Corporation (EDC) helps Canadian companies compete in world markets through the provision of financial and risk management services. These include export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees.

The following information was obtained from the EDC Country Risks and Opportunities book (fall, 1996).

Current Market Conditions

The slowing growth in output over the last year bottomed out in the second quarter of 1996. Decelerating external demand and cutbacks in government expenditures resulted in a weakening of growth in 1995. The modest pick-up in real household spending was the principal factor that kept the weakening economy out of recession. Deteriorating conditions forced the Bank of Spain to cut its key money market rate five times during 1996, lowering to the current 7.25 percent from 9 percent at the beginning of January, the lowest level in four years.

Fiscal performance will excel or drag. In addition to programmed spending cuts of \$1.6 billion, the discovery in July, 1996 of a surprise gap of \$5.6 billion in unscheduled accounts inherited from the former socialist government raises the risk of unravelling the present government's commitment to achieving the Maastricht target for 1997. The government's plan to partially rectify this with additional revenues to be raised from the announced acceleration in the schedule of privatization remains uncertain. If the government does not find ways to substantially reduce its deficit/GDP ratio from that of 5.2 percent estimated for 1996 to the targeted level of 3 percent for the next year, then financial markets will impose higher risk premia on its lending to Spanish borrowers, potentially destabilising the Spanish economy. Either way, the fiscal situation represents a drag on domestic demand to 1997.

Household spending has been restrained by slow wage growth, an increase in savings and the

highest unemployment rate in the EU at close to 23 percent. The sector is expected to be buoyed by better employment growth and new measures liberalising the labour market. Residential spending is projected to improve in 1997.

Business confidence has improved. Though there has been a noticeable loss of impetus in equipment spending, a recovery is expected through the second half of 1997, though not as strong as in 1995. However, construction is expected to remain well largely as a result of major cutbacks in public works. Business investment is expected to be buoyed by the moderation in wage costs and the current level of long-term interest rates and the lower short-term interest rates. Equipment spending is projected to grow by close to 8 percent in 1997 from 11 percent in 1995.

Credit Quality Trends

Improving credit quality conditions in Spain resulted in the decline of 11.4 percent in business failures in 1995. Spanish companies have benefited from an increase in industrial profitability and a reduction in financial and restructuring costs in 1995.

The industry sector is driving the Spanish economy. The industry sector has generated higher growth than the rest of the economy having grown 3.5 percent in 1994 and 5.4 percent in 1995. It is anticipated that companies will benefit from lower interest rates, which will contribute to reducing costs and improving profitability, and from the expected improvement in economic growth from

the second half of 1996 through 1997. The caveat, however, is that public sector enterprises are expected to experience a weakening in credit quality conditions and some deterioration in profitability requiring further restructuring as a consequence of the expected declines in government subsidies arising from government austerity measures.

A significant number of major failures occurred in 1996, including the large construction group Huarte in March with liabilities of about \$840 million. The failure has brought about a crisis among its 5,000 suppliers and creditors, who are largely commercial and savings banks. While the company's major Spanish construction competitor groups are not prepared to rescue the company through a capital injection, preferring a controlled liquidation of Huarte, they want the contracts of Huarte to be shared out.

Corporate Spain is beset with a number of serious structural problems that need to be addressed. Commercial bank debts remain high and the real estate market depressed. There is a lack of competitive investment in manufacturing.

Collection Experience

The usual trading terms are open account. The overall experience in Spain is fair. There are no credit or financial issues. EDC's experience and attitude in the short-term is satisfactory and open without restrictions. The medium to long-term is open.

CONTACTS

Canada Mortgage and Housing Corporation

Housing Export Centre

700 Montreal Road
Ottawa, Ontario K1A 0P7

Tel.: 1-800-465-6212 or
(613) 748-2000
Fax: (613) 748-2302

Canadian Government Departments and Services

Department of Foreign Affairs and
International Trade (DFAIT)

InfoCentre
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2

Tel.: 1-800-267-8376 or
(613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board:
Tel.: 1-800-628-1581 or
(613) 944-1581

Tel.: (613) 996-4427
Fax: (613) 995-5772

Canadian Embassy in Spain

35 Nunez de Balboa
28001 Madrid
Kingdom of Spain

Tel.: (011-34-1) 431-4300
Fax: (011-34-1)
577-8911/431-2367

International Trade Centres

Newfoundland

International Trade Centre
P.O. Box 8950
Atlantic Place
215 Water Street
Suite 504
St. John's, NF A1B 3R9

Tel.: (709) 772-5511
Fax: (709) 772-5093

Prince Edward Island

International Trade Centre
P.O. Box 1115
Confederation Court Mall
134 Kent Street
Suite 400
Charlottetown, PE C1A 7M8

Tel.: (902) 566-7443
Fax: (902) 566-7450

Nova Scotia

International Trade Centre
P.O. Box 940, Station M
1801 Hollis Street
Halifax, NS B3J 2V9

Tel.: (902) 426-7540
Fax: (902) 426-5218

New Brunswick

International Trade Centre
1045 Main Street
Unit 103
Moncton, NB E1C 1H1

Tel.: (506) 851-6452
Fax: (506) 851-6429

Quebec

International Trade Centre
5 Place Ville-Marie
Seventh Floor
Montreal, PQ H3B 2G2

Tel.: (514) 283-6328
Fax: (514) 283-8794

Ontario

International Trade Centre
Dominion Public Building
1 Front St. West
Fourth Floor
Toronto, ON M5J 1A4

Tel.: (416) 973-5053
Fax: (416) 973-8161

Manitoba

International Trade Centre
P.O. Box 981
330 Portage Avenue
8th Floor
Winnipeg, MB R3G 2V2

Tel.: (204) 983-5851
Fax: (204) 983-3182

International Trade Centres (cont'd)

Saskatchewan	International Trade Centre The S.J. Cohen Building 119-4 th Avenue South Suite 401 Saskatoon, SK S7K 5X2	Tel.: (306) 975-5315 Fax: (306) 975-5334
Alberta <i>* Edmonton office is also responsible for Northwest Territories</i>	International Trade Centre Canada Place 9700 Jasper Avenue Room 540 Edmonton, AB T5J 4C3 510-5th Street S.W. Suite 1100 Calgary, AB T2P 3S2	Tel.: (403) 495-2944 Fax: (403) 495-4507 Tel.: (403) 292-4575 Fax: (403) 292-4578
British Columbia <i>*Vancouver office is also responsible for the Yukon</i>	International Trade Centre 300 West Georgia Street Suite 2000 Vancouver, BC V6B 6E1	Tel.: (604) 666-0434 Fax: (604) 666-0954

Export Development Corporation (EDC)

Ottawa	151 O'Connor Street Ottawa, ON K1A 1K3	Tel.: (613) 598-2500 Fax: (613) 237-2690
Vancouver	One Bentall Centre 505 Burrard Street Suite 1030 Vancouver, BC V7X 1M5	Tel.: (604) 666-6234 Fax: (604) 666-7550
Calgary	510-5th Street S.W. Suite 1030 Calgary, AB T2P 3S2	Tel.: (403) 292-6898 Fax: (403) 292-6902
Winnipeg <i>*office also serves Saskatchewan</i>	330 Portage Avenue Eighth Floor Winnipeg, MB R3C 0C4	Tel.: (204) 983-5114 Fax: (204) 983-2187
Toronto	National Bank Building 150 York Street Suite 810 P.O. Box 810 Toronto, ON M5H 3S5	Tel.: (416) 973-6211 Fax: (416) 862-1267
London	Talbot Centre 148 Fullarton Street Suite 1512 London, ON N6A 5P3	Tel.: (519) 645-5828 Fax: (519) 645-5580
Montreal	Tour de la Bourse 800 Victoria Square Suite 4520 P.O. Box 124 Montreal, PQ H4Z 1C3	Tel.: (514) 283-3013 Fax: (514) 878-9891
Halifax	Purdy's Wharf, Tower 2 1969 Upper Water Street Suite 1410 Halifax, NS B3J 3R7	Tel.: (902) 429-0426 Fax: (902) 423-0881

Spanish Government Offices in Canada

Embassy of Spain	350 Sparks Street Suite 802 Ottawa, ON K1R 7S8	Tel.: (613) 237-2193 Fax: (613) 236-9246
Consul General of Spain	1 Westmount Square Suite 1456 Montreal, PQ H3Z 2P9	Tel.: (514) 935-5235 Fax: (514) 935-4655
Commercial Counsellor of Spain	Place Bonaventure Mart E, PO Box 1137 Montreal, PQ H5A 1G4	Tel.: (514) 866-4914

Spanish Government Offices in Canada (cont'd)

Consul General of Spain	1200 Bay Street Suite 400 Toronto, ON M5R 2A5	Tel.: (416) 967-4949 Fax: (416) 925-4949
Commercial Counsellor of Spain	55 Bloor St. West Suite 1204 Toronto, ON M5R 2A5	Tel.: (416) 967-0488 Fax: (416) 968-9547

Multilateral Organizations

World Bank	Washington, DC 20433 U.S.A.	Tel.: (202) 477-1234 Fax: (202) 477-6391
Office for Liaison with International Financial Institutions	Canadian Embassy 501 Pennsylvania Avenue N.W. Washington, DC 20001 U.S.A.	Tel.: (202) 682-7719 Fax: (202) 682-7726

Business and Professional Organizations in Canada

Chambre de commerce hispano-canadienne	266, rue Notre Dame ouest Montreal, PQ H2Y 1T6	
Alliance of Manufacturers and Exporters Canada	99 Bank Street, Suite 250 Ottawa, ON K1P 6B9	Tel.: (613) 238-8888 Fax: (613) 563-9218

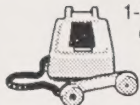
Major Spanish Banks in Canada

Banco Central Hispano-Canada	330 Bay Street Toronto, ON M5H 2S8	Tel.: (416) 365-7070 Fax: (416) 365-7850
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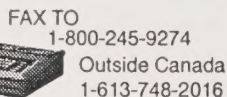
Canadian Banks with European Regional Offices

Bank of Montreal	D-6000 Frankfurt am, Main 17 Ulmenstrasse 37-39 Frankfurt, Germany 710104	
Canadian Imperial Bank of Commerce European Operations Office	Cottons Centre Cottons Lane London, SE1 2QL, England	Tel.: (011-441-71) 234-6000
National Bank of Canada Europe Regional Office	Princes House 95 Gresham Street London, England EC2V 7LU	
Royal Bank of Canada AG	PO Box 71 07 14 Lyonner Strasse 15 60497 Frankfurt am Main, Germany	
The Royal Bank of Canada	Paseo de la Castellana, 51 28046 Madrid, Spain	Tel.: 34-1-310-0013 Fax: 34-1-308-3093
The Toronto-Dominion Bank	Triton Court 14/18 Finsbury Square London, England EC2A 1DB	
Hongkong Bank of Canada	10 Lower Thames Street PO Box 506 London, England EC3R 6AE	

HOUSING EXPORT OPPORTUNITIES SERIES ORDER FORM



1-800-668-2642
Outside Canada call
1-613-748-2003



CMHC
P.O. Box 35005
Stn BRM B
Toronto, ON
M7Y 6E5

Charge to VISA, American Express or MasterCard.

To avoid double billing,
please do not send
confirmation.

VISA, American Express,
and MasterCard.

To avoid double billing,
please do not send
confirmation. A fax will
be treated as an original order.

METHOD OF PAYMENT

Please Print

Name		
Company or Organization	Position Title	
Address		
City	Province/State/Country	Postal/Zip Code
Telephone Number ()	Fax Number ()	

<input type="checkbox"/>	Please charge my	
	VISA <input type="checkbox"/>	American Express <input type="checkbox"/> MasterCard <input type="checkbox"/>
	Card Number	
	<div></div>	
	Expiry Date	
<div></div>		
<input type="checkbox"/>	Signature	
	<div></div>	
	Payment enclosed \$ <div></div>	
Please make cheque or money order payable to CMHC		

To Complete See Example on Reverse Side

[illegible]

TAX TABLE

7% GST applicable to all items. PST/HST/GST applicable to shipping.
for PEI and Québec, PST is calculated on shipping plus GST.

U.S. and International orders, please pay subtotal C in U.S. funds.

Province	GST	PST	HST
Alberta	7% of C	—	—
B.C., Manitoba, & Sask.	7% of C	7% of B	—
Ontario	7% of C	8% of B	—
N.B., N.S., NF	7% of A	—	15% of B
Québec	7% of C	6.5% of B + GST	—
P.E.I.	7% of C	10% of B + GST	—

GST Registration # 100756428

Subtotal Column 3

A

ADD Shipping & Handling
Regular Mail ☐ Courier ☐

B

Subtotal
(Add A + B)

C

Appropriate Taxes
(refer to table at left)

D

Total
(Add C + D)

E

Subtotal
Column 5

Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.

SEE
EXAMPLE
ON REVERSE

Shipping and Handling Charges

Points	Canada Regular Rates	Canada Courier Rates	U.S. Regular Air Rates	U.S. Courier Rates	International Regular Air Rates	International Courier Rates	Europe Courier Rates
1	2.55	5.00	5.00	11.00	7.00	24.00	19.00
2	3.65	8.00	6.50	14.00	9.00	30.00	25.00
3 to 5	5.80	11.07	8.11	30.75	12.18	63.75	47.75
6 to 10	6.18	11.07	12.46	34.75	20.61	88.75	55.75
11 to 20	6.43	12.35	18.08	42.75	38.77	118.75	71.75
21 to 40	6.94	14.90	23.81	58.75	64.65	193.75	103.75
41 to 60	7.44	17.62	29.48	74.75	68.12	253.75	129.75
61 to 80	7.95	20.51	35.15	90.75	117.36	313.75	149.75
81 to 100	8.45	23.35	40.92	106.75	146.60	373.75	169.75
101 to 120	8.96	26.20	46.59	120.75	166.71	433.75	189.75
121 to 140	9.46	29.05	52.31	134.75	184.72	493.75	209.75
141 to 160	9.97	31.90	58.00	148.75	207.45	553.75	229.75
161 to 180	10.47	34.75	63.71	162.75	228.92	613.75	249.75
181 to 200	10.98	35.60	69.38	176.75	250.29	658.75	269.75
201 to 220	11.48	40.45	75.05	190.75	N/A	718.75	289.75
221 to 240	11.99	43.30	80.72	204.75	N/A	778.75	309.75
241 to 260	12.49	46.15	86.49	218.75	N/A	838.75	329.75
261 to 280	13.00	49.00	92.21	232.75	N/A	901.75	349.75
281 to 300	13.50	51.85	97.88	246.75	N/A	958.75	369.75
Estimated Delivery times	2-3 weeks	5-10 days	2-3 weeks	5-10 days	4-8 weeks	12 days	12 days

Prices Subject to Change

CMHC Return Policy

We will replace damaged materials and correct shipping errors if we are notified within thirty days after you receive your shipment. If an item is not defective or not mistakenly shipped, then it must be returned by you at your cost within thirty days of receipt. It must arrive here in resaleable condition for you to receive credit.

International Note: Most international return shipments arrive damaged. If you received damaged items, contact CMHC at (613) 748-2969. Please do NOT return the damaged items unless we ask.

Example: To complete order form and determine shipping and handling charges

ORDER NUMBER	REPORT TITLE <small>Please be sure the order number and report title match the listing</small>	1 QTY	2 ITEM AMOUNT \$	3 TOTAL AMOUNT 1 x 2	4 SHIPPING POINTS	5 TOTAL SHIPPING POINTS 1 x 4
NHA 8003	Brazil	1	35.-	35.-	3	3
NHA 8033	South Korea	2	35.-	70.-	3	6
					3	
					3	

<p style="text-align: center;">TAX TABLE</p> <p>7% GST applicable to all items. PST/HST/GST applicable to shipping. for PEI and Québec, PST is calculated on shipping plus GST.</p> <p>U.S. and International orders, please pay subtotal C in U.S. funds.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Province</th> <th>GST</th> <th>PST</th> <th>HST</th> </tr> </thead> <tbody> <tr><td>Alberta</td><td>7% of C</td><td>-</td><td>-</td></tr> <tr><td>B.C., Manitoba, & Sask.</td><td>7% of C</td><td>7% of B</td><td>-</td></tr> <tr><td>Ontario</td><td>7% of C</td><td>8% of B</td><td>-</td></tr> <tr><td>N.B., N.S., NF</td><td>7% of A</td><td>-</td><td>15% of B</td></tr> <tr><td>Québec</td><td>7% of C</td><td>6.5% of B + GST</td><td>-</td></tr> <tr><td>P.E.I.</td><td>7% of C</td><td>10% of B + GST</td><td>-</td></tr> </tbody> </table> <p><small>GST Registration # 100756428</small></p>	Province	GST	PST	HST	Alberta	7% of C	-	-	B.C., Manitoba, & Sask.	7% of C	7% of B	-	Ontario	7% of C	8% of B	-	N.B., N.S., NF	7% of A	-	15% of B	Québec	7% of C	6.5% of B + GST	-	P.E.I.	7% of C	10% of B + GST	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Subtotal Column 3</td> <td style="width: 50%;">A 105.-</td> </tr> <tr> <td>ADD Shipping & Handling Regular Mail <input checked="" type="checkbox"/> Courier <input type="checkbox"/></td> <td>B 6.18</td> </tr> <tr> <td>Subtotal (Add A + B)</td> <td>C 111.18</td> </tr> <tr> <td>Appropriate Taxes (refer to table at left)</td> <td>D 7.78</td> </tr> <tr> <td>Total (Add C + D)</td> <td>E 118.96</td> </tr> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center;">Subtotal Column 5</p> <p style="text-align: center; font-size: 1.5em;">9</p> </div> <p style="margin-top: 10px;">Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.</p>	Subtotal Column 3	A 105.-	ADD Shipping & Handling Regular Mail <input checked="" type="checkbox"/> Courier <input type="checkbox"/>	B 6.18	Subtotal (Add A + B)	C 111.18	Appropriate Taxes (refer to table at left)	D 7.78	Total (Add C + D)	E 118.96
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Appropriate Taxes (refer to table at left)	D 7.78																																						
Total (Add C + D)	E 118.96																																						

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